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DIRECTOR OF CENTRAL INTELLIGENCE

Technology Transfer Intelligence Committee

(TTIC)

Subcommittee on Export Control
(EXCON)

Subcommittee on Exchanges
(COMEX)

TTIC-C-252-87

5 June 1987

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: [redacted] Chairman

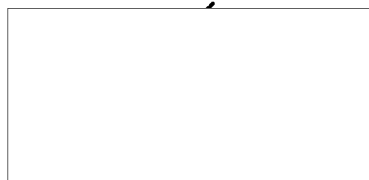
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SUBJECT: TTIC Monthly Report

Attached for your information is a report on the status of TTIC actions
for May 1987. [redacted]

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Attachment



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STATUS OF TTIC ACTIONS: MAY 1987I. Highlights

- o TTIC participated in interagency discussions in preparation for the June meeting in Paris of the COCOM Subcommittee on Export Controls and the COCOM Special Senior Level Meeting in July. The meetings will cover the following topics: harmonization of controls, streamlining of the COCOM control list, enforcement, and third country cooperation. [REDACTED] 25X1
- o TTIC participated in deliberations chaired by the NSC to develop procedures for implementing the recently signed US-Soviet agreement on space cooperation. COMEX is currently reviewing plans for a joint US-Soviet working group meeting in July on space medicine and biology. [REDACTED] 25X1
- o COMEX finished its review of proposals by various agencies for US cooperation with the Soviets in the basic sciences. The review assessed a total of 56 possible project areas: sixteen in physics, fifteen in the geosciences, ten in mathematics, eight in engineering, five in biology, and two in chemistry. Four proposals in mathematics and two in physics were identified for probable denial as areas for US-Soviet cooperation. The results of the COMEX review will be forwarded to OSTP which chairs an interagency group that is developing a US position for eventual discussions with the Soviets. [REDACTED] 25X1
- o TTIC participated in the State-chaired interagency working group formed to draft US proposals for the streamlining of the COCOM embargo list. This streamlining effort - agreed to by COCOM - is designed to reduce the list of embargoed dual-use commodities. [REDACTED] 25X1
[REDACTED] 25X1

II. Work in Progress

- o Studies. A new TTIC working group was formed to draft a memorandum for holders to update the TTIC Japan country study published in 1983; a draft should be ready for consideration at the July TTIC meeting. The draft study on technology transfer concerns with regard to Indonesia will be reviewed by TTIC in June. The Brazil technology transfer study was forwarded to the printers. The TTIC working group on Panama met to discuss terms of reference and information sources. Working groups continue to draft studies on export control issues in Taiwan and on the Warsaw Pact capability to produce silicon in sufficient quality and quantity to satisfy their needs for integrated

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circuit production. Studies are underway on the export control laws of eight countries (Switzerland, Sweden, Austria, Finland, Singapore, South Korea, Ireland, and Brazil). The completed draft study on the potential use of sealed trucks to illegally transfer technology from Western to Eastern Europe will be reviewed initially by the TTIC Trade Violations Working Group (TVWG). [REDACTED]

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- o Trade Violations. The TVWG met twice to assess intelligence reporting concerning trade violations. Four draft demarches were prepared and submitted to the Department of State. The drafts detailed trade violations related to a French firm selling advanced digital telephone equipment to Cuba, a Yugoslavian sale of switching equipment to the USSR, a Canadian project to support the Soviet submersible program, and the sale of a Japanese ceramic production plant to Bulgaria. The TVWG is reviewing a draft study on the demarche process and on the role of the working group. The TVWG Chairman met with a foreign policy officer in the Department of State to discuss coordination of action on foreign policy demarches recommended by the TVWG. [REDACTED]
- o Commerce Support. End-user information on 74 export license applications for proscribed country destinations was forwarded to Commerce. Derogatory information (evidence of military-related activities) was furnished on 14 of these end-users (eight Soviet, three East European, and three Chinese). TTIC also initiated a coordinated Intelligence Community review of export license applications for six cases involving communications monitoring equipment to free world destinations. Approvals for 12 cases involving this equipment were forwarded to Commerce; two remain under review. [REDACTED]
- o Support to COCOM. End-user information was furnished to the State-chaired EDAC WG III for 42 COCOM cases, six of which were objected to because of the military related activities of the named end-users. [REDACTED]
- o S&T Exchange Visitors. COMEX completed action on this year's 89 Soviet IREX cases. COMEX recommended approval of 63 visits and denial of 22; four other cases were withdrawn by the Soviets. Several proposals for visits by East Europeans are currently under consideration. [REDACTED]
- o AAP. The COMEX Academic Advisory Panel held its eighth semiannual meeting on 7 and 8 May at the Department of Energy. The main topic of discussion was the process by which the US arrived at a decision to deny Soviet participation in NSF's Ocean Drilling Program. The ninth meeting next fall will be at CIA Headquarters; it will focus on

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the role of COMEX in the technology transfer assessment process and the AAP's contribution to that role. [REDACTED]

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- o Remote Sensing. The EPA has developed four proposals for cooperative remote sensing studies with the Soviets under the US-USSR Environmental Agreement. COMEX reviewed them in detail early in May with specialists from FSTC and the Environmental Monitoring Systems Laboratory in Las Vegas. Three of the four topics were approved for exploratory discussions with a visiting Soviet delegation early in June; the fourth proposal will require further consideration by elements of the Army's chemical warfare branch. [REDACTED]
- o Biological Research. COMEX evaluated proposals for four Soviet visitors to collaborate on various areas of biological research. The work would include genetic control of bacteria, bacteriological insecticides, and related aspects of the molecular genetics of bacteria. Experts from CIA and DIA did not develop a consensus about the technology transfer risks associated with potential US-Soviet cooperation in these areas but were able to agree on the permissibility of the visits in question due to the high potential for intelligence collection opportunities. [REDACTED]
- o Transportation. COMEX is currently reviewing Department of Transportation proposals for cooperation with the Soviets in civil aviation, railroads, and highway construction. The proposals have been under consideration since last fall when COMEX reviewed a preliminary version and recommended technical discussions between the Defense and Transportation Departments to clarify plans for cooperation and reconcile them with concerns about technology transfer. Those discussions have ended and the Department of Transportation is now seeking approval to start negotiations with the Soviets. [REDACTED]
- o Project CASTAR. The final CASTAR report describing Soviet needs for Western digital switching and fiber optics technologies for upgrading their ABM system was completed by the contractor. A contractor has been selected to develop the CASTAR methodology to identify essential technologies that the Soviets will require from the West for up to 75 Soviet weapon systems. A TTIC report is being drafted based on the results of the initial CASTAR study on strategic cruise missiles and the recent study on the ABM. [REDACTED]

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